Strike by LIC and GIC Staff

153. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the staff of L.I.C. and G.I.C. and their subsidiaries went on token strike in September, 1995 demanding early settlement of the overdue revision of salaries; and

(b) if so, the reaction of Government thereto and the steps taken to settle them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) Yes, Sir.

(b) The Managements of both the life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) held several rounds of discussions since July, 1995 with their employees unions. Based on these discussions wage revision proposals were formulated and forwarded to the Ministry of Finance in the second week of November, 1995 which are presently under consideration.

Study conducted on Fiscal Deficit

154. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Associated Chambers of Commerce and Industry of India have recently conducted study on the fiscal deficit of Government;

(b) if so, whether ASSOCHAM have revealed high fiscal deficit of Government than the projected fiscal deficit;

(c) if so, the reaction of Government on such study; and

(d) what immediate steps Government propose to take to minimise fiscal deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) Government did not authorise the ASSOCHAM to conduct any study on the fiscal deficit of Government, nor has the concerned Department in the Government received any such study from the ASSOCHAM.

(b) to (d) Do not arise.

Decline in value of Indian Rupee

155. SHRI GURUDAS DAS GUPTA:
SHRI CHATURANAN MISHRA:
SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the value of rupee against the dollar was dipped in the third week of October to above Rs. 35 per dollar; and

(b) what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBIPROSAD PAL): (a) and (b) The rupee-dollar exchange rate (the FEDAI indicative rate) was Rs. 35.650 per U.S. dollar on October 26, 1995.

The U.S. dollar rupee rate had been almost stable since August 1993 even though inflation rates had been higher in India. With the strengthening of the U.S. dollar in international markets in September 1995, the rupee depreciated vis-a-vis the U.S. dollar. While the differences in inflation rates did warrant a correction of the exchange rate, the correction was excessive as importers who had earlier not taken forward cover suddenly entered the market while the exporters tended to delay repatriation of receipts. The Reserve Bank intervened to stabilise the foreign exchange market and since November 1, 1995 the exchange rate has remained below Rs. 35 per US dollar.